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SUBJECT: EMBASSY MINSK WEEKLY POL/ECON REPORT - October 26, 2007

11. The following are brief items of interest compiled by Embassy Minsk.

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##### Civil Society

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#### 12. Opposition Party Establishes Youth Wing

The United Civic Party (UCP) held the founding conference for its youth wing Young Democrats (YD) on October 21. The 49 delegates elected Aleksandr Shumkevich to lead the organization. UCP Leader Anatoliy Lebedko maintained that his party would always be "a reliable partner for YD." YD members plan to participate in the 2008 parliamentary elections.

#### 13. Activists Protest Expulsions

On October 19, the Ministry of Education turned down a complaint filed by Gomel-based opposition youth leader Dmitry Zheleznichenko, who was challenging his expulsion from university. In a separate case October 23, Grodno University administrators expelled civil

society activist Ekaterina Bychek. Both activists were expelled on the grounds of violating internal school policies, though they describe the expulsions as politically motivated and plan to appeal in court. Bychek has been an active participant in campaigns for Grodno historic and architectural protection, and was arrested in May 2006 on administrative charges.

#### 14. Activist Re-Arrested Immediately Following Release

A Minsk district judge sentenced youth opposition activist Pavel Yuhnevich to 15 days in jail on minor hooliganism charges October 19, just one day after Yuhnevich was released from a 7-day jail sentence. The judge had earlier found Yuhnevich guilty of using obscenities during his arrest at an underground theater show on August 24.

#### 15. Commemorative Rallies Banned in Gomel

On October 19, Gomel city authorities banned proposed rallies commemorating Stalinist terror victims. The demonstrations were to be held October 27 at the site of the executions. Local Belarusian Christian Democracy (BCD) party coordinators Konstantin Zhukovsky and Svyatoslav Shapovalov asserted that authorities were attempting to conceal facts of mass executions just outside of Gomel.

#### 16. "For Freedom" Denied Registration Yet Again

The Ministry of Justice (MOJ) denied the human rights and educational NGO "For Freedom" movement (FF) registration October 22. The MOJ claimed that FF's founders violated the law by holding a convention at a closed children's camp in the woods. FF deputy chairperson Yuras Gubarevich argued that the laws do not provide detailed descriptions of permitted venues for conferences, and noted the NGO plans to appeal the MOJ's denial to the Supreme Court. NGO members plan to submit a complaint to the UN Human Rights Committee if they are denied again.

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#### 17. Activists Rally for Political Prisoner

Belarusian Social-Democratic Party Gramada (BSDP-G) activists staged an authorized three-hour picket in Minsk on October 24 calling on authorities to release party leader Aleksandr Kozulin. Ten activists, including Kozulin's daughter Olga, displayed BSDP-G flags and signs urging Kozulin's release and collected signatures for a petition to President Lukashenko. Police officers and plainclothesmen confronted the demonstrators and tore up a protester's sign. Picket organizers said they would file a complaint against the police behavior.

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International Relations  
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#### 18. Belarus Expands Cooperation with UAE

Viktor Sheiman, State Secretary of Belarus' Security Council and co-chairman of the Working group on Belarus' bilateral relations with the United Arab Emirates (UAE), visited the UAE October 23-24. He met with senior officials, including Sheikh Mohammed ben Zaid Al Nakhaim, Crown prince of Abu-Dhabi and Deputy Commander in Chief of the UAE Armed Forces. The parties discussed cooperation in oil processing, investment in real estate and industrial enterprises, construction projects, and joint work in IT and defense. Though trade between the states remains negligible, Belarus' concentration on the UAE has intensified following President Lukashenko's official visit there in March. The UAE plans to open an embassy in Minsk and the crown prince may make an official visit.

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Domestic Economy  
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#### 19. New State Monopoly for Tobacco Products

On October 19, President Lukashenko signed Decree Number 4, making the GOB the official monopoly importer of raw tobacco and tobacco products. Belarustorg, owned by the Presidential Administration, will be the sole importer of cigarettes starting in January 2008, replacing the four current importers. Russia is set to greatly increase its export of tobacco products to Belarus under an interstate trade agreement which obligated Belarus to abolish import quotas on Russian-made tobacco products starting October 1.

#### 10. Inflation Rises in September

The Belarusian Statistics Ministry reported on October 22 that the one-percent monthly core inflation rate for September was the highest increase since December 2004. Cumulative inflation for January-September 2007 was 5.1 percent, compared to 4.9 percent in 2006 and 6.4 percent in 2005. The producer price index rose 1.1 percent for the month of September. January through September, the PPI increased 13.4 percent, versus 8.5 percent for the same period in 2006 and 10.2 percent in 2005.

#### International Trade

#### 11. Belarus to Invite Nuclear Power Plant Bids

Following his meeting with Russian Prime Minister Viktor Zubkov October 19, Belarusian Prime Minister Sergey Sidorsky told reporters that Belarus will invite bids to build a nuclear power plant next year. The project has already been approved by President Lukashenko and is a key element in the country's future energy plans. Prime Minister Zubkov said his country is interested in the project and hopes to participate in power plant construction.

#### 12. Quote of the Week

Former assistant to President Lukashenko and current Belarusian Ambassador to Israel Igor Leshchenya, trying -- and failing -- to mitigate the fallout from Lukashenko's anti-Semitic statement:

"[I] never heard him utter an anti-Semitic sentiment.... He used to say that we need to be as clever as Jews are to build a prosperous state."

Stewart